



City of Somerville Zoning Amendment

Covenant: Introduction

4/4/2017

You can review previous Union Square Zoning presentations at:

<http://www.somervillema.gov/unionsquarezoning>

Realizing our values

1. The Union Square Neighborhood Plan identified a shared goal:
 - **We want to grow in a way that reflects our values.**
2. We now have a signed covenant that – along with zoning and other mechanisms – will harness development benefits to achieve these values.
3. The covenant requires US2 to negotiate a Community Benefits Agreement (CBA) with the Union Square Neighborhood Council.

Our values are based in community participation

The covenant is the next step in delivering on the values identified by our community:

- SomerVision (2009 – 2012)
- Union Square Neighborhood Plan (2014 – 2016)
- Union Square Civic Advisory Committee (2014 – ongoing)
- LOCUS Strategy Leaders (2015 – 2016)
 - Place Management Organization (PMO) Subcommittee (2016)
 - Union Square Neighborhood Council Working Group (2016 – ongoing)

What is the covenant?

The covenant is a legal agreement between the City and US2. It applies to all development in the Union Square overlay district. **It is contingent on passage of USQ zoning** as submitted for the March 7th, 2017 public hearing, with minor adjustments and **increased open space**.

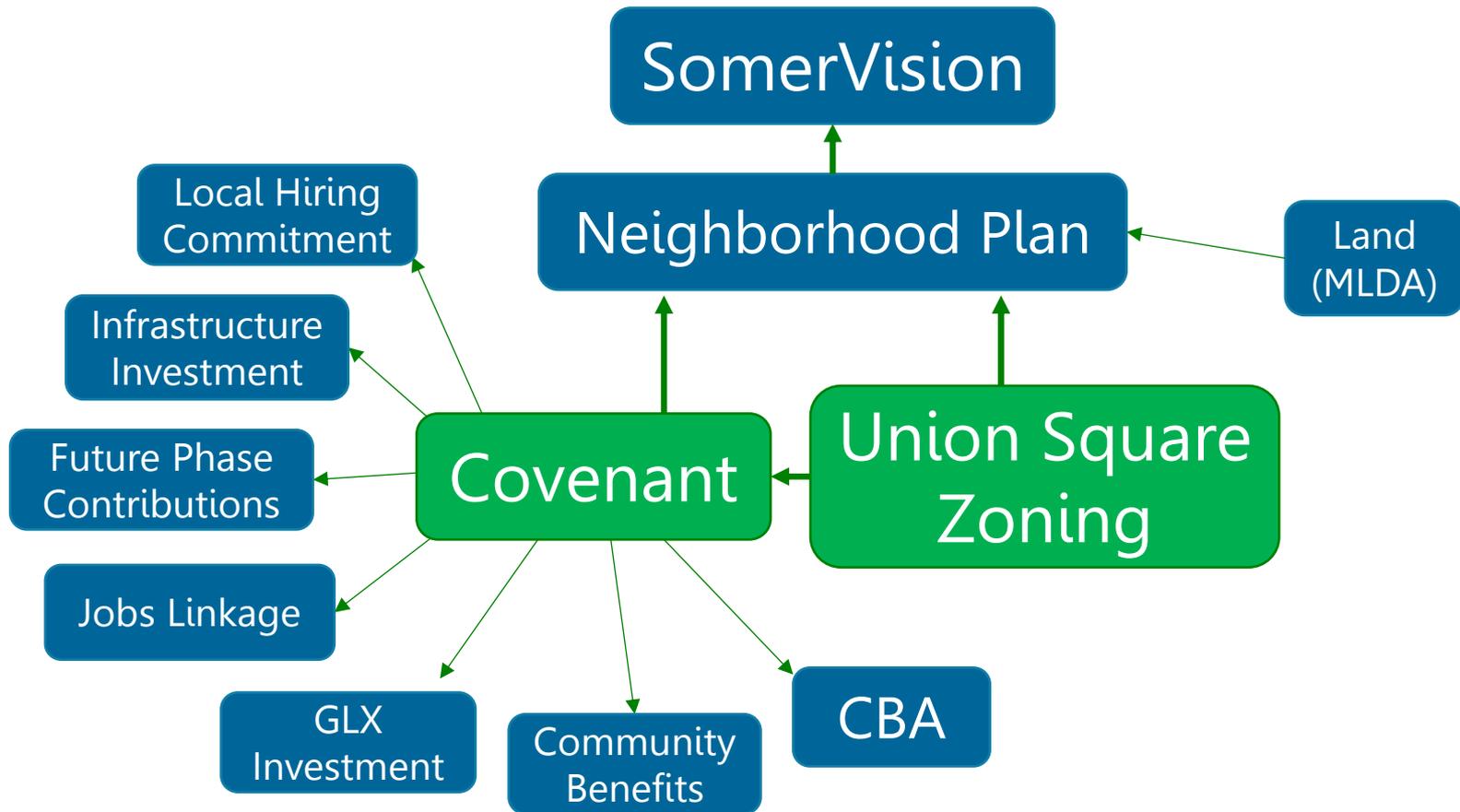
It requires:

- Developer contribution towards
 - GLX
 - Off-site infrastructure
 - Community benefits
 - Future phase development
 - Jobs linkage
- Developer commitment on local resident and veteran hiring
- Developer to negotiate CBA with Union Square Neighborhood Council

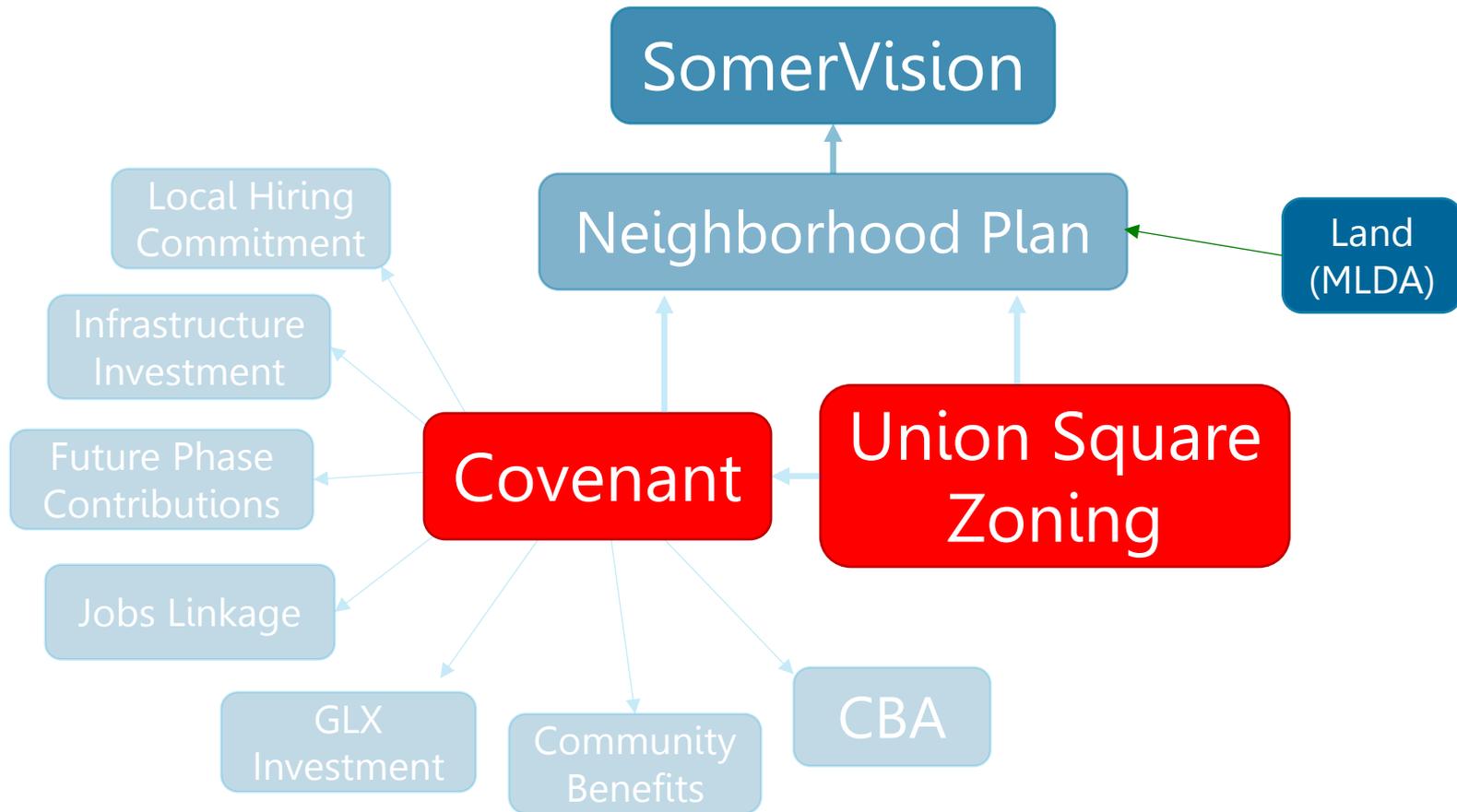
Implementing the USQ Neighborhood Plan: Key Documents

Master Land Disposition Agreement (MLDA)	USQ Zoning	Covenant w/ US2	Community Benefits Ordinance (CBO)	Community Benefits Agreement w/ US2 (CBA)
SRA to negotiate & enforce	BOA to adopt & City to enforce	City to negotiate & enforce	BOA to adopt & City to implement	Neighborhood Council to negotiate & enforce (forthcoming)
<ul style="list-style-type: none"> • Purchase and sale agreement for D2* • Requirement to clarify MBTA Station easements • Comprehensive development schedule • Reverter for non-performance • Default provision for non-compliance with covenant and zoning • Use of eminent domain by SRA only as last resort • MLDA is subject to DHCD approval <p>*Parcels beyond D2 require future agreements between US2 and SRA consistent with the Revitalization Plan.</p>	<ul style="list-style-type: none"> • 20% inclusionary housing • Family housing requirements • Open and civic space requirements • Arts/creative economy space requirements • Transportation/Mobility Management Plan requirements • Commercial/residential ratio • Coordinated Development Special Permit review process • Design review 	<ul style="list-style-type: none"> • Contingent on USQ Zoning approval • Contributions towards Community Benefits • Requirement to negotiate CBA with community • Contributions towards GLX • Contributions towards offsite infrastructure • Affirmative commitment to pay Jobs Linkage • Additional contributions for future phases 	<p>Draft will include:</p> <ul style="list-style-type: none"> • Establishing Community Benefits Fund and Community Benefits Committee • Recognizing and establishing advisory role of Neighborhood Councils • Establishing process for allocating Community Benefits funds • Requiring neighborhood and citywide needs assessments 	<p>Topics could include:</p> <ul style="list-style-type: none"> • Minimizing displacement • Maintaining and promoting local businesses • Maximizing local hiring • Creating multi-functional community space(s) • Addressing other community needs

Delivering on SomerVision



What if we don't pass zoning?



Barry Abramson

- Mr. Abramson has served as a consultant to the City during its negotiations with US2 regarding developer contributions contained within the development covenant.
- In his role as consultant to the city, he has reviewed confidential pro-forma information supplied by the developer, which allowed him to be better able to confirm the project's overall feasibility and financing requirements and help the city position its request for developer contributions to infrastructure and community needs.
- <http://abramsonassoc.com/barryabramson.htm>



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Covenant & USQ Zoning

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Covenant contributions

- 1. GLX Contribution:** Goes towards the city payments to the MBTA in connection with the extension of the GLX to USQ and construction of the MBTA Station.
- 2. Offsite Infrastructure Contribution Value:** US2 to share the cost of certain offsite infrastructure improvements to be made by the city in support the project or future phases.
- 3. Community Benefits Contribution:** Ensure that Union Square's revitalization and redevelopment can address additional community needs.
- 4. Future Phase Contributions:** Increased contributions linked to development parcels beyond D2.
- 5. Jobs Linkage Contribution:** Goes towards supporting workforce development.



Value of covenant contributions

	Contribution	D2*	D1, D3-D7*	Total	Type
Green Line Extension (GLX)	\$2.40/SF	\$1,368,600	\$4,156,680	\$5,525,280	Cash
Offsite Infrastructure	\$2.00/SF	\$1,140,500	\$3,463,900	\$4,604,400	Cash or in kind
Community Benefits	\$1.60/SF	\$912,400	\$2,771,120	\$3,683,520	Cash
Future Phase	\$2.00/SF		\$3,463,900	\$3,463,900	Cash
Jobs Linkage	\$1.40/SF commercial	\$263,550	\$1,707,440	\$1,970,990	Cash
Total		\$3,685,050	\$15,563,040	\$19,248,090	

*Based on current square footage estimates.

Value of zoning requirements

	D2	D1, D3-D7	Total	Type	Comment
Housing Linkage	\$901,250	\$5,743,280	\$6,644,530	Cash	\$5.15/SF of commercial (first 30,000 sq. ft. exempt)
20% Inclusionary Housing	\$20,500,000	\$28,500,000	\$49,000,000	In kind	Assumes average \$250K per unit subsidy value for 180 affordable units
Open & Civic Space Requirement	\$1,209,091	\$3,828,788	\$5,037,879	In kind	Staff estimate
5% Arts & Creative Economy	TBD	TBD	TBD	In kind	TBD
Transportation Demand	TBD	TBD	TBD	In kind	TBD
Sustainable Building Standards (LEED)	\$3,477,223	\$9,522,777	\$13,000,000	In kind	2% of hard construction costs
Total	\$26,087,564	\$47,594,845	\$73,682,409		

Cumulative value of developer contributions

	D2	D1, D3-D7	Total
Covenant Contributions	\$3,685,050	\$15,563,040	\$19,248,090
Zoning Requirements	\$26,087,564	\$47,594,845	\$73,682,409
Total	\$29,772,614	\$63,157,885	\$92,930,499

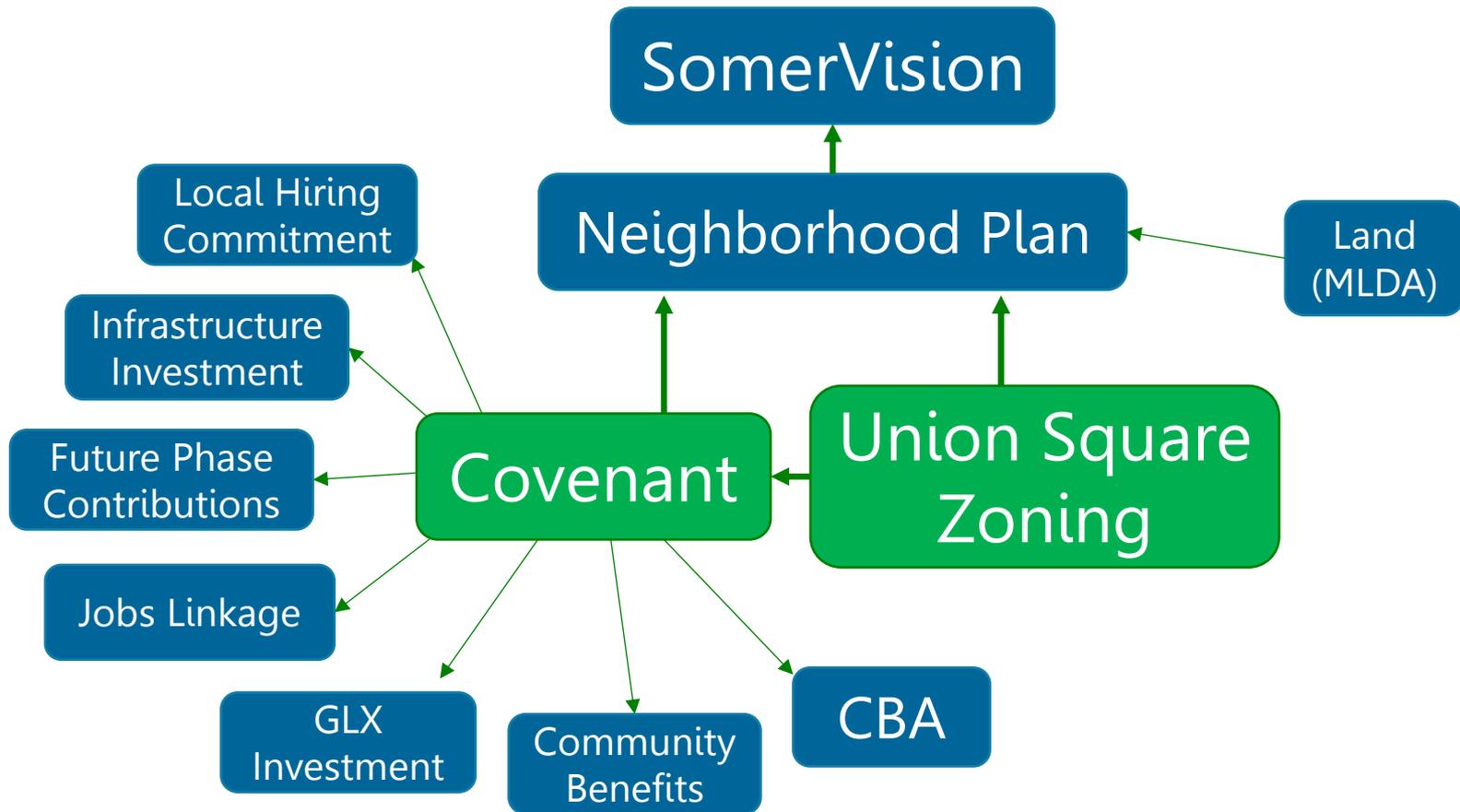
Estimated revenue from taxes, I&I and fees

	D2	D1, D3-D7	Total	Type	Comment
Infiltration and Inflow (I&I)	\$1,244,250	\$2,919,000	\$4,163,250	Cash	Staff estimate based on city I&I policy
Building Permit Fees	\$4,547,137	\$12,452,863	\$17,000,000	Cash	Staff estimate
Net Increase in Property Tax Revenue	\$81,384,402	\$363,560,120	\$444,944,522	Cash	Estimated 30-year cumulative tax revenue from new development
Totals	\$87,175,789	\$378,931,983	\$466,107,772		

Cumulative value of US2 development

	D2	D1, D3-D7	Total
Covenant Contributions	\$3,685,050	\$15,563,040	\$19,248,090
Zoning Requirements	\$26,087,564	\$47,594,845	\$73,682,409
I&I and Fees	\$5,791,387	\$15,371,863	\$21,163,250
Net Increase of Property Tax Revenue	\$81,384,402	\$363,560,120	\$444,944,522
Totals	\$116,948,403	\$442,089,868	\$559,038,271

Delivering on SomerVision



Next Steps

1. The SRA continues discussion on the MLDA on April 27th, 2017.
2. The Board of Aldermen continues discussion on USOD zoning.
3. If the SRA and BOA vote approval before May 31, 2017 the covenant goes into effect.
4. Infrastructure discussion begins.



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Union Square Zoning

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Union Square Zoning



BOA to adopt & city to enforce. The zoning outlines the building rights of the developers while establishing baseline requirements for community contributions. It must be approved for the covenant to go into effect.

Covenant with US2



City to negotiate & enforce. The covenant secures substantial community benefits and requires US2 to negotiate a Community Benefits Agreement. It is contingent on the passage of USOD zoning.

Community Benefits Ordinance (CBO)



BOA to adopt & city to implement. The Community Benefits Ordinance sets up the framework for distribution of community benefits funds, as guided by the Neighborhood Council.

Master Land Disposition Agreement (MLDA)



SRA to negotiate & enforce. Purchase and sale agreement for D2 enabling development.

Community Benefits Agreement (CBA) with US2



Neighborhood Council to negotiate & enforce. With a guaranteed developer commitment in the Covenant, the CBA can be negotiated.